

FOOTHILL TRANSIT

MINUTES

The special meeting of the Foothill Transit Executive Board was held Tuesday, November 18, 2008, at the Foothill Transit Board Room, 100 South Vincent Avenue, 2nd Floor, West Covina.

President Delach called the meeting to order at 8:20 a.m. The following members were present, constituting a quorum of the Executive Board:

Peggy Delach, President
Michael De La Torre, Vice President
Roger Chandler
Paula Lantz
Lola Storing

Staff and guests present:

Doran Barnes, Executive Director
Kevin McDonald, Deputy Executive Director
Lee Millen, Deputy Secretary
Richard Hasenohrl, Director of Finance
Jane Matsumoto, Regional Program Manager, MTA

PLEDGE OF ALLEGIANCE

President Delach led those present in the Pledge of Allegiance. President Delach acknowledged Councilman Doug Tessitor, City of Glendora.

PUBLIC COMMENT

There was none.

TRANSIT ACCESS PASS PARTICIPATION

Richard Hasenohrl, Director of Finance, reported that the Executive Board convened a special meeting on April 18, 2008 to address the challenges to Foothill Transit's installation of the TAP system. The Board directed staff to determine how the various challenges could be addressed with solutions that are currently functional and not in need of further development in order to be implemented.

To that end, staff met with Cubic Transportation, the TAP equipment supplier, on May 12, 2008 to address each issue and determine if a solution was available. The meeting was successful in that Cubic only presented solutions that are currently able to be placed into operation. Some of the challenges addressed were the result of functionality desired by Foothill Transit that Cubic indicated was possible but was unable to produce a working solution or a projected implementation cost.

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Since the April 18th Executive Board meeting, Cubic has completed the installation of their new TAP back office software and equipment, and is currently testing the functionality using Los Angeles Metro's live data. The back office system, known as NextFare, is a repository for all farebox transactions and is used for generating reports.

Doran Barnes, Executive Director, referenced Agenda Item No.14 dated October 24, 2008 (copy on file) that reports on the discussions with Cubic in May when it became apparent that they had working solutions for some challenges, and that they would have working solutions available in the next few months to most challenges, and that there were no anticipated working solutions for a third set of challenges. Those challenges that did not have working solutions were dropped and work-arounds were identified that will allow Foothill Transit to maintain its current business rules. The solutions that would be soon available to meet certain challenges appeared workable, in that they would be fully functional when Foothill Transit completes its installation. However, some of the solutions would require Executive Board action to modify current business rules by:

1. making transfers available only to TAP customers;
2. furnishing complimentary TAP cards for a specific period of time;
3. establishing a policy to transfer MetroCard value to a TAP card; and
4. establishing a procedure to exchange 31-Day passes to the TAP system.

Mr. Hasenohrl reported that moving forward with the TAP equipment installation will provide a fare collection system that maintains Foothill Transit's current business rules, except for the previously mentioned modifications. The recommended options will allow Foothill Transit to move forward independent of the possible unsuccessful implementation of future products. And will allow the replacement of the current fareboxes which were scheduled for replacement several years ago. It appears that solutions have been found to address the currently identified challenges; however, there are other challenges that will arise as the project continues.

Additionally, at its October 24, 2008 regular meeting, the Executive Board recommended that a special study session be scheduled in November to allow sufficient time for the Board to fully discuss the issues related to the TAP program. The implementation of the TAP program for Foothill Transit has been in the planning phase for over six years. Further, Foothill Transit's current fareboxes have reached the end of their useful life, are proving to be very costly to maintain, and accordingly, need to be replaced.

Mr. Hasenohrl introduced Jane Matsumoto, Regional Program Manager, MTA. Ms. Matsumoto conducted a brief TAP (Transit Access Pass) system power point overview and reported on the following:

- TAP will provide convenience and security;
- TAP is used for seamless travel while using a one-fare instrument that minimizes operational impacts;

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- Los Angeles County is the third largest fare system user in the country and currently operates collectively about 4,000 buses.

The two most popular pass cards currently in use are: 1) Blue Card – used by regular fared riders; and 2) Orange Card – used by students, seniors and disabled riders which includes reduced or subsidized fares.

Additionally, the three regional properties that currently operate on a central computer are: 1) Metro Bus&Rail; 2) Culver City Bus; and 3) Santa Clarita Transit. Culver City has been using the TAP system since February 2008; Norwalk is scheduled to install TAP in March/April 2009, and Foothill Transit, Antelope Valley, Gardena, Montebello, Torrance and Los Angeles DOT are scheduled to convert in 2009.

Mr. Hasenohrl reported that the necessary changes to the original contract of the “single-driver-log-on” brought unexpected delays, and that the necessary change order is in process. Also, Cubic technology’s inability to refurbish their mobile vaults has also changed the terms of their contract. Further, Foothill Transit’s Smart Bus technology can easily adopt and implement the “single driver log on”; Metro currently has this feature and it is now included in Foothill Transit’s proposal from Cubic Technology.

In response to President Delach, Mr. Hasenohrl noted the installation time for fareboxes has been reduced from three to two weeks. Bus schedules would have to be temporarily modified to accommodate installation time for 50% of the bus fleet, and the following week the remaining buses will be installed. Most of the farebox installation will occur on the weekend, when ridership is low.

Doran Barnes advised that although Foothill Transit may experience potential revenue loss during the transition and implementation of the TAP system, cash fares and validated passes with dates printed on the back (“flash passes”) do not pose a similar problem. However, problems will exist with old magnetic stripe passes that haven’t been validated, and new magnetic TAP passes used on an old farebox cannot be validated either. Revenue loss cannot be estimated for these potential problems.

An intensive Foothill Transit marketing campaign will be launched for public awareness of the new TAP system. Express fleet buses will implement the TAP system first and the local fleets will follow. Although revenue loss is expected, steps have been taken to minimize this.

Ms. Matsumoto explained that Metro’s transition experience to TAP was used as a boilerplate in planning the two (2) weekend installation periods, which should minimize losses. Also, MTA has hired Mark Kronke, a former Cubic Technology Regional Project Operations Manager, which should assist greatly in the TAP implementation. Mr. Barnes noted a key difference between Metro’s paper flash passes used during their transition and Foothill Transit’s magnetic stripe pass is that Foothill’s pass is more technology based and should make for a smoother transition.

Ms. Matsumoto addressed the following previously expressed concerns:

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- Daily revenue reports - the regional central computer system is now fully operational, therefore, daily revenue reports will be more accurate;
- Cubic's inability to supply hand-held pass validators - they will be provided by Metro; and
- Hand-held validators that are being sunsetted by Cubic, which are identical to the ones provided by Metro - these will be available to Foothill, or, looking forward, a newly designed cell phone driven validator could be available in late 2009. It will be a simpler device for use by a fare inspector, will be disposable, and the unit will assist to stay current with fare changes.

Mr. Hasenohrl noted that Foothill has an agreement with Metro to provide 6 hand held validators on loan through the implementation of TAP on the Silver Streak fleet.

Ms. Matsumoto reported that a new and innovative system for the Silver Streak fleet has been the bus rapid transit (BRT) rear-door boarding system. Unfortunately, it has not matured in the United States the way it has in Europe or Asia. Metro has launched the BRT system on their Orange Line. The BRT system maximizes boardings, provides multiple fare readers, and accommodates the implementation of distance-based fares. Metro is exploring these related opportunities through SB 1422.

Mr. Barnes noted that although future possibilities are available, Foothill Transit's rear door collections system is not ready for customer use.

Ms. Masumoto highlighted concerns regarding magnetic data as proof of payment. Normally, proof of payment requires a visual inspection, but with upgraded technology, hand held validators will accomplish this task instead. In addition, a marketing campaign geared towards customers who are occasional riders would be very beneficial. A limited use SmartCard would be employed to attract infrequent customers. Also, statistics indicate that approximately fifty-percent of bus riders will not pre-pay their fares or invest in a pass.

Mr. Barnes reported that in the past Foothill Transit had believed both magnetic stripe technology and TAP technology could be utilized, however, the system only allows for one option. During the 9-day integration period Foothill will move completely from one system to the other, and because of budgetary limits only one system can be acquired.

Ms. Matsumoto added that the magnetic stripe card system is flawed because it can be hacked into, and consequently the TAP card system is preferred. Mr. Barnes noted that the bottom line for Foothill Transit is to move away from a cash transaction system to a preferred automated payment system. Transferring buses by TAP card is also a major objective planned. Ms. Matsumoto advised that when the TAP card goes below a specific minimum amount, the system can transfer funds from the rider's credit card to keep the TAP card current.

Member Lantz requested clarification on the need for two different cards for bus travel,

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a MetroCard and a TAP card. Mr. Barnes advised that the MetroCard is a debit-based magnetic stripe card and the TAP card is not; MetroCards need to be swiped, whereas the TAP card only needs to be tapped to be read. President Delach added that MetroCards have not always transferred information properly and have proven to be faulty, and Ms. Matsumoto reported that magnetic stripe readers can be damaged very easily.

Member Lantz requested a written report on Issue 6 ("NextFare system") from Cubic Transportation, including an itemized explanation why installation operations of some devices have been effective and others have not. Cubic has not responded to Foothill's concerns about poor fareboxes in a timely manner, reports have been delayed by four months, and this inaction has caused a great deal of frustration and mistrust.

Member Chandler inquired regarding whether there are other contractors Foothill Transit could contract with for fareboxes. Ms. Matsumoto reported that one option is to terminate the contract with Cubic and use GFI who supply the same fareboxes as Cubic. Mr. Barnes added that four manufacturers exist globally in the farebox industry, and while Cubic is the primary and GFI is the sub-contractor, GFI may be difficult to interact with given their contractual relationship with Cubic. If the contract with Cubic is cancelled, Foothill's relationship with GFI will probably be terminated as well.

President Delach noted that Foothill Transit needs better assurance from Cubic that the installation will be completed by May 2009 and that it will take only two weekends for complete installation of the TAP fareboxes. There is very little confidence in the vendor and periodic reports are needed. Mr. Barnes offered that another option is ACS who could be contracted with, however, in order to use their services Foothill would have to go through a Cubic interface to get to the ACS system.

Following further discussion, President Delach concluded that it appears that Foothill will remain with Cubic on the condition that they report periodically on their installation progress.

The change order cost is \$500,000 for additional equipment, therefore, Ms. Matsumoto recommended that the cost proposal from Cubic be looked at line by line, item by item to ensure that Foothill is satisfied with the terms of the contract. In turn, she was asked to return with a progress report on Cubic's activity.

Mr. Hasenohrl reported that Foothill Transit has \$4.7 million in Congestion Mitigation and Air Quality (CMAQ) funds, \$1 million of Federal 5307, and \$1 million of Municipal Operator Service Improvement Program (MOSIP) funds (total \$6.7 million) for this project. The CMAQ and Federal 5307 funds are secured in an approved grant from the Federal Transit Administration.

Following further discussion, the Executive Board authorized the Executive Director to move forward on the TAP farebox project with Cubic Transportation, and requested periodic reports on their installation progress..

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Motion: President Delach, seconded by Member Chandler
Vote: Unanimously carried

BOARD MEMBER COMMENT

There was none.

EXECUTIVE DIRECTOR COMMENT

There was none.

ADJOURNMENT

There being no further business, the Executive Board adjourned at 10:00 a.m.